



Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, AUGUST 10, 2005
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

FORMER TOP BAYER EXECUTIVES INDICTED IN PRICE-FIXING CONSPIRACY

WASHINGTON, D.C. – Two former top executives of Bayer AG, the German chemicals producer, were indicted today by a federal grand jury for participating in an international price-fixing conspiracy in the rubber chemicals industry, the Department of Justice announced.

In separate indictments, filed in U.S. District Court in San Francisco, the grand jury charged Jurgen Ick and Gunter Monn with conspiring with other corporate and individual co-conspirators to suppress competition by fixing the prices of rubber chemicals sold in the United States and elsewhere. Ick, former head of Bayer's Rubber Business Group, was charged with participating in the conspiracy from 1995 to 2001. Monn, former head of marketing of Bayer's Rubber Business Group, was charged with joining the conspiracy in or about January 1997. Both Ick and Monn are German citizens.

Rubber chemicals are a group of additives used to improve the elasticity, strength, and durability of rubber products, such as tires, outdoor furniture, hoses, belts, and footwear. Approximately \$1 billion of rubber chemicals are sold annually in the United States.

Thus far, more than \$200 million in criminal fines have resulted from the Antitrust Division's ongoing investigations of price fixing of various rubber-related products. Over the past 18 months the Division has obtained guilty pleas from five companies--Bayer AG, Syndial S.p.A., Crompton Corporation, DuPont Dow Elastomers, Zeon Chemicals--and including today's charges, a total of six executives.

“Anyone who participates in these type of international conspiracies that defraud Americans millions of dollars faces great risk of being caught and prosecuted, no matter where they are located or where they commit their crime,” said Thomas O. Barnett, Acting Assistant Attorney General in charge of the Department’s Antitrust Division.

The former Bayer executives were charged with carrying out the conspiracy with their co-conspirators by:

- Participating in meetings among major rubber chemical producers to discuss the prices of rubber chemicals to be sold in the United States and elsewhere;
- Agreeing, during those discussions and meetings, to increase prices of rubber chemicals to be sold in the United States and elsewhere;
- Participating in discussions and meetings concerning implementation and adherence to the agreement reached; and
- Issuing price announcements and price quotations in accordance with the agreements reached.

“The cases filed today follow a long line of prosecutions of companies and individuals who participated in the rubber chemicals conspiracy and are the result of the successful cooperation of others involved in the conspiracy,” said Scott Hammond, the Antitrust Division’s Deputy Assistant Attorney General for Criminal Enforcement.

Prior to today’s cases, Bayer and Crompton Corporation pleaded guilty to participating in the conspiracy and paid fines of \$66 million and \$50 million, respectively. In addition, Joseph B. Eisenberg and James J. Conway, both former Crompton executives, and Martin Petersen and Wolfgang Koch, both former Bayer executives, have all pleaded guilty to participating in the same conspiracy. Koch recently was sentenced to serve a four-month prison term and to pay a \$50,000 fine. Eisenberg, Conway, and Petersen await sentencing.

Ick and Monn were charged with violating Section 1 of the Sherman Act, which carries a maximum penalty for violations occurring prior to June 22, 2003 of three years imprisonment and

a \$350,000 fine for individuals. The maximum fine may be increased to twice the gain the conspirators derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

The charges announced today stem from an ongoing investigation being conducted by the Antitrust Division's San Francisco Field Office and the Federal Bureau of Investigation in San Francisco.

###

05-414